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STATEMENT OF HONORABLE DUNCAN HUNTER PROCUREMENT SUBCOMMITTEE MARKUP FY 00 DOD AUTHORIZATION BILL

The President's \$53 billion procurement budget request for fiscal year 2000 represents a decrease of \$1.1 billion below the amount forecast in fiscal year 1999, \$9.3 billion below the amount first forecast in fiscal year 1996, and continues the Department of Defense's delay in achieving the Joint Chiefs of Staff goal of a \$60 billion procurement budget by three years (from fiscal year 1998 to fiscal year 2001). Even before the initiation of Operation Allied Force the service chiefs of staff were lamenting a budget that leaves them far short of attaining their modernization requirements, despite Congress' having added over \$15 billion to the procurement accounts in the past four years. The ongoing campaign in the Balkans has only exacerbated this situation.

In order to bring the modernization problem into focus, the committee held a hearing on the Department's fleet of aging equipment. The Department clearly acknowledged that reduced modernization budgets, combined with increased deployments, have taken their toll. Its inventory of weapons is not only aging chronologically but also technologically, as older and overworked weapons systems continue to drain resources because of more frequent and more expensive maintenance. Equipment expected to leave the inventory years ago is still operational and, in some cases, approaching nearly double expected service lives. Yet, despite this situation, the procurement budget continues to receive low priority.

Although much has been touted by the Department concerning a major increase in its budget in the next six fiscal years, the procurement accounts are not the beneficiaries of any largesse. As noted above, the fiscal year 2000 procurement request actually declines from the amount forecast only one year ago. The cumulative addition to these accounts over the next four years is projected to be only \$4.1 billion—hardly a significant part of a proposed six-year \$84 billion overall increase.

Unfortunately, unless a sustained increase in procurement funding is forthcoming, the aging equipment situation will only get worse, as the impact of Operation Allied Force is felt. With the United States shouldering the largest share of the burden in the North Atlantic Treaty Organization's air campaign against Yugoslavia, inventories of key precision weapons are being depleted at much faster rates than ever anticipated; units deployed for combat are stripping vital supplies from U.S.-based units, contributing to a dramatic drop in their readiness ratings; and cannibalization rates are climbing rapidly within deployed units because of spare parts shortages. Even with the substantial amount of additional funding provided by the Congress in fiscal year 1999 supplemental appropriations, the process of "getting well" from this ongoing operation will be slow and likely require substantial additional funding in the future.

(More)

Against this backdrop, the committee successfully argued for an increase to the funds allocated for national defense in the fiscal year 2000 budget resolution and has applied much of this additional money to procurement. This marks the fifth consecutive year the committee has added funds to modernize the Department's weaponry.

Let me summarize the Chairman's mark:

- It adds \$2.6 Billion to the procurement request
- It adds \$327 Million to the R&D request for engineering and manufacturing development
- It adds \$80 Million to the National Defense Sealift Fund

Of these adds, over \$1.8 billion is for equipment on the Service Chiefs unfunded requirements lists and included in them is over \$700 million for precision munitions, such as the Tomahawk missile, and \$600 million for the National Guard and Reserve components.

The Chairman's mark also approves multiyear procurement requests for the:

- F/A-18E/F Super Hornet
- Javelin anti-tank missile
- AH-64D Longbow Apache
- M2A3 Bradley Fighting Vehicle
- M 1 A2 Abrams Tank/Heavy Assault Bridge

It adds funds for the many programs on the handout provided to each member, which in the interest of time, I won't bother to read. It also reduces the Chemical Agents and Munitions Destruction account as shown on the handout.

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